AMENDMENT UNDER 37 C.F.R. § 1.111 APPLICATION NO.: 09/774,885

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Attorney Docket No.: Q62892

## AMENDMENTS TO THE SPECIFICATION

Please replace the last paragraph on page 26, continuing onto page 30, with the following:

Note that image data S can be subjected to a data compression process so that it is progressively expandable, and aforementioned irreversible compressed image data S1 and S2 can be created in this way. FIGS. 6A, 6B and 6C are a provided for explanation of the data compression method for implementing progressively expanding compression of image data. First, as shown in FIG. 6A, original image data S is subjected to a wavelet transformation, and broken down into a plurality of 4 data: LL1, HL0HL1, LH0-LH1 and HH0HH1. Here, data LL1 represents an image whose length and width are reduced by 1/2, data HLOHL1, LHO-LH1 and HHO-HH1 represent images having a lengthwise edge component, a widthwise edge component and a diagonal edge component, respectively. As shown in FIG. 6B, data LL1 is again subjected to a wavelet transformation, and 4 data: LL2, HL1HL2, LH1-LH2 and HH1-HH2 obtained thereby. Here, data LL2 represents the image of data LL1 whose length and width are again reduced by 1/2, data HL1HL2, LH1LH2 and HH1HH2 represent images having a lengthwise edge component, a widthwise edge component and a diagonal edge component, respectively. Therefore, data LL having a plurality of resolutions is obtained for each of the desired number of times data LL is subjected to the wavelet transformation. After which, as shown in FIG. 6C, data of each resolution level is labeled, said labeled data is saved in a file as hierarchical data, and this is designated as irreversible compressed image data.